GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:624
ANSWERED ON:25.11.2005
SUBSIDY TO TEXTILE PARKS
Rao Shri Sambasiva Rayapati

Will the Minister of TEXTILES be pleased to state:

(a) whether Government is considering to release the subsidy to the textile parks almost alongwith the funds being sanctioned by the banks;

(b) whether the Government is likely make available the subsidy to the promoters;

(c) whether the proposal to advance the release of the capital subsidy to these textile park promoters would in a way serve as a bridge loan for them to meet the fund requirements for starting the park projects without much delay; and

(d) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (d) The schedule for release of Government of India (GOI) share, by way of grant or equity, under the Scheme for Integrated Textile Park (SITP) to the Special Purpose Vehicle (SPV) is as under:-

i) 30% of the total GOI share in advance immediately after approval of the project by Project Approval Committee (PAC). However, before the 1st instalment is released, it would be seen that the project has been appraised by the Financial Institution as a bankable project and the land for the Integrated Textile Park has been procured by the SPV.

ii) 30% of the total GOI share after the utilisation of the 1st instalment and after the proportionate expenditure (i.e. 30% of the share of SPV) has been incurred by the SPV.

iii) 30% of the total GOI share after the utilisation of the 2nd instalment and after the proportionate expenditure (i.e. another 30% of the share of SPV) has been incurred by the SPV.

iv) 10% of the total GOI share after successful completion of the project and after 25% of the units in Integrated Textile Park starts their production.